



February 20, 2009

HOUSE BILL No. 1653

DIGEST OF HB 1653 (Updated February 18, 2009 6:48 pm - DI 77)

Citations Affected: IC 12-15.

Synopsis: Medicaid services competitive bidding. Requires the office of Medicaid policy and planning (office) to take specified action before deciding to begin the competitive bid process for certain items and services. Requires the office to ensure that: (1) the competitive bidding procedure is open to all persons currently providing the item or service for the Medicaid program; and (2) the bidding specifications are not written to give an advantage to an out-of-state company.

Effective: July 1, 2009.

Austin, Brown C, Welch

January 16, 2009, read first time and referred to Committee on Public Health.
February 19, 2009, reported — Do Pass.

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HB 1653—LS 7010/DI 104+



February 20, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1653

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-15-11-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. **(a)** The office may
3 seek competitive bids for the following items or services provided
4 under Medicaid:

- 5 (1) Prescribed drugs and services for state operated institutions.
- 6 (2) Physical therapy and other therapeutic services.
- 7 (3) Prescribed laboratory and x-ray services.
- 8 (4) Eyeglasses and prosthetic devices.
- 9 (5) Medical equipment and supplies.
- 10 (6) Transportation services.

11 **(b) Before the office may begin the competitive bid process for**
12 **an item or service listed in subsection (a), the office shall do the**
13 **following:**

- 14 (1) **Communicate with persons and companies that are**
15 **currently providing the item or service in the Medicaid**
16 **program to determine if the companies and persons are**
17 **capable of lowering the cost or increasing efficiency in**

HB 1653—LS 7010/DI 104+



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1 providing the item or service in the Medicaid program
2 without going through the competitive bidding process.

3 (2) Analyze the potential loss of jobs and tax revenue if the
4 Indiana companies or persons that are currently providing
5 the item or service are no longer allowed to provide the item
6 or service because of a competitive bid contract being
7 awarded to a company or person that does not have current,
8 substantial operations in Indiana.

9 (c) If the office decides to seek competitive bids after completing
10 the requirements under subsection (b), the office shall ensure that:

11 (1) the competitive bidding procedure is open to all companies
12 and persons that currently provide the item or service in the
13 Medicaid program; and

14 (2) the bid specifications are not written to give an advantage
15 to an out-of-state company.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1653, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BROWN C, Chair

Committee Vote: yeas 6, nays 4.

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